

## **FISCAL NOTE**

TO: Chief Clerk of the Senate  
Chief Clerk of the House

FROM: James A. Davenport, Executive Director

DATE: April 4, 1995

SUBJECT: **SB 1474 - HB 1133**

This bill, if enacted, will:

1. create the *Tennessee Legislative Ethics Act of 1995* which sets forth standards of conduct and guidelines that legislators and legislative employees are to comply with in order to avoid conflicts of interest in their positions and establish penalties for violations of those standards.
2. require legislators to file a conflict of interest disclosure statement in addition to the one that is already required to be filed with the Registry of Election Finance.
3. create a nine-member Legislative Ethics Commission, with members to be appointed by the Legislature, Governor, Supreme Court, Registry of Election Finance and by other members of the Commission.
4. provides that the Commission shall:
  - have the power to issue advisory opinions, develop forms, grant exemptions to disclosure requirements, investigate alleged violations of Ethics Law, hold hearings and recommend sanctions;
  - hire an executive director who shall appoint and discharge employees, which may include special investigators, legal counsel, technical, professional and clerical services experts and consultants as are necessary to carry out its duties. The Commission may also contract for services which cannot be satisfactorily performed by its employees; and
  - be required to conduct ethics education programs for legislators, legislative employees and lobbyists, including orientation programs and regular refresher seminars. In addition, the Commission will be required to publish and distribute an ethics manual to legislators, legislative employees and lobbyists.

The fiscal impact from enactment of this bill is estimated to be a one-time increase in state expenditures of \$10,000 and recurring state expenditures of \$213,627. This estimate is based on the following:

**Commission**

9 members @ \$100/day x estimated		
4 meetings per year	\$ 3,600	
9 members x \$55 lodging x 4 meetings	1,980	
9 members x \$28 meals x 4 meetings	1,008	
9 members @ 286 average round-trip		
miles x \$.24 per mile	2,471	
Chairman & Vice-Chairman receive \$500		
annually additional compensation	<u>1,000</u>	\$ 10,059

**Personnel**

Executive Director	\$54,000	
Legal/Investigative Staff	42,000	
Secretary	22,200	
Benefits	<u>28,368</u>	146,568

**Related Costs**

Office Space	\$ 5,000	
Travel	5,000	
Communication	7,000	
Equipment & Furniture (one-time)	10,000	
Printing	5,000	
Supplies	5,000	
Professional Service for Special		
Investigators & Legal Advice	<u>20,000</u>	<u>57,000</u>

**Total Increase in State Expenditures 1st Year** **\$213,627**

Enactment of this bill is also estimated to result in an increase in state revenues to the extent lobbyists will be charged a fee to attend lobbyist training courses. Such increase in revenues is estimated to be not significant.

In addition to civil remedies authorized in the bill, certain violations are a Class A misdemeanor.

The fiscal impact from enactment of this bill will depend upon the number of persons convicted of this offense and the resultant increased cost to local governments to confine such persons versus the increased revenues to local governments from fines levied and collected under the provisions of this bill. Therefore, the fiscal impact cannot be readily determined, but is estimated to be not significant.

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James A. Davenport". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

James A. Davenport, Executive Director